

## Vacaville Unified School District

751 School Street, Vacaville, California 95688-3987

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SUPERIOR COURT, DEPT. 16  
SCOTT KAYS

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September 19, 2003

Scott Kays, Presiding Judge of the Superior Court  
c/o Superior Court Executive Office/Clerk of the Court  
Hall of Justice  
600 Union Avenue  
Fairfield, California 94533

Re: Response to 2003/04 Grand Jury Report

Dear Mr. Kays:

Vacaville Unified School District (VUSD), like a thousand other school districts in California, is dependent on the State for approximately 92% of its operating funds. The other 8% is made up of special categorical funds from the Federal government along with a small portion from local sources. VUSD has the responsibility of managing the funds provided by these sources.

### Findings and Recommendations

Finding #1 - Salary increases were paid for with non-recurring funds with the expectation of additional funding from the State for the two years (1999-2000 and 2000-2001).

Recommendation #1 - VUSD not commit non-recurring funds for recurring requirements.

District Response #1 - The District concurs. No commitments will be made without a complete review of multi-year projections for both revenue and expenditures. It is important to note that the uncertainty of the State economy has resulted in a loss of ongoing revenue including statutory cost-of-living-adjustments normally guaranteed by Proposition 98. In the future, at least two scenarios for multiyear projections will be developed. One will be based on the best information known at the time; a second scenario will be based on a no COLA and/or a worse case scenario of additional cuts if appropriate. Information will be shared on a timely basis with the Board of Education and with the District's Budget Advisory Committee.

Finding #2 - Enrollment and attendance projections for determining the fiscal year 2001-02 budget assumed a best-case scenario.

Recommendation #2 - The VUSD develop a realistic model to predict enrollment and attendance for budget planning.

District Response #2 - A new enrollment and attendance boundary projection software package (Davis Demographics) was purchased in the Spring of 2003. It was implemented for the 2003/04 fiscal year.

Attendance projections are based on an analysis of CBEDS enrollment to second period attendance (the period used by the State to fund districts). However, in a district that is declining in enrollment, such as VUSD is experiencing, attendance funds are guaranteed to be based on the prior year or the current year whichever is higher. For purposes of revenue projections, prior year attendance was used in 2003/04. Staffing costs, however, were based on projected 2003/04 enrollment. This is important to note because the District gets the benefit of higher revenues, but is budgeted for lower costs as a result of lower enrollment. Should enrollment be higher in 2003/04, the District will incur higher staff costs, however, no revenues will be reflected until attendance surpasses the prior year's attendance.

Finding #3 - No money was missing or unaccounted for in the 2001-02 VUSD budget. Layoff notices were issued, but no actual layoffs took place.

Recommendation #3 - No action required.

District Response #3 - Each year, the VUSD undergoes an annual audit by an independent auditor. The Annual Audit Report confirmed that the District financial records presented fairly, in all material respects the financial position of the operations of the District's funds. As a matter of sound business practice, the annual audit will be up for renewal in 2003/04 and proposals will be secured from experienced audit firms in school finances, as well as the current audit firm.

In addition, a new, integrated (with the Solano County Office of Education) financial system has been implemented, as of July 1, 2003. A data processing audit on the new financial system will be done to verify functionality for the 2003/04 fiscal year. VUSD is continuing to work very closely with the Solano County Office of Education.

#### **Where We Are Now**

The District has now reduced the projected budget deficit from \$7.2 million to \$660,000. A lot of progress in closing the deficit has been made but still more revenue is needed and reductions in expenditures need to be made to finally close the gap.

The District has now addressed the accounting issues and is upgrading to a new accounting system that has a proven track record of performance. The District has also put certain business practices and procedures in place to prevent internal financial issues in the future. Critical business positions have been filled, and training in how to best use the new accounting system is ongoing.

The District has also been engaged in increasing its revenue. We are negotiating new contracts with service providers in many areas that will save the District money. We have negotiated a transportation contract with a neighboring school district to provide their students transportation. This will bring in new revenues. We have reorganized summer school that has generated funds for the district's operating budget rather than take funds away from it. We have also successfully completed the state required bidding process to lease Elmira Elementary School to a non-public school serving severely handicapped students. This lease will bring to the district \$1.1 million over a four year period.

One of the most highly visible fund raising efforts is by the Vacaville Public Education Foundation (VPEF). VPEF has raised funds through donations from individuals and businesses. The funds will go directly to support programs for students. The VUSD is grateful to have such committed individuals spearheading this effort.

#### **Jean Callison Elementary School**

Thank you for your kind and comprehensive report. We at Jean Callison Elementary School are proud of our school, students, staff and parents, and are grateful that you took notice of all that they do.

Especially noteworthy is our outstanding custodial staff members, who work closely with district maintenance personnel to perform regular, preventive maintenance and upkeep.

I have offered to share our School Safety Plan with members of the district's Administrative Leadership Team. Our school safety committee will continue to meet regularly to ensure a current, updated plan that meets student safety needs is in place in order to provide a safe and healthy learning environment.

**Vaca Pena Middle School**


We are pleased that you recognized that the site is well maintained and clean; that we have a strong instructional program; that we are committed to continually improving learning through technology; that we have a strong commitment to safety; and that we had a strong activities program to involve students. In regards to recommendations: 1) other schools have received safety grants and doing the same as Vaca Pena, and 2) a new phone system is to be installed in either September or October 2003 and that should greatly enhance our communications system.

**Buckingham Charter School**

The Buckingham Charter School staff was very pleased with the Grand Jury Report. The positive and encouraging response by the Grand Jury concerning the educational choices and alternatives that Buckingham offers is a welcome validation of the services that they provide to the community.

If you need further information, please do not hesitate to contact me at (707) 453-6100.

Sincerely,

  
John T. Aycock  
Superintendent

JTA:jw

cc: Leticia Allen, Deputy Superintendent Administrative Services  
Janet Follet, Callison Elementary School Principal  
Jim Myers, Vaca Pena Middle School Principal  
Bob Hampton, Buckingham Charter School Principal  
County Administrator's Office (courtesy copy)  
Clerk of Board of Supervisors (courtesy copy)